

Railbelt Reliability Council Implementation Committee - Meeting

July 12, 2021

Final Minutes (Approved by IC 7/19/21)

1) Roll-call

The meeting was held via Zoom, was called to order at 1:15 pm, and was chaired by SS or JE.

| Primary | | Alternate | | Organization |
|--------------------------|----|---------------------------------------|----|---|
| Brian Hickey (BH) | Y1 | Jeff Warner (JWR) | Y | Chugach Electric Association |
| John Burns (JB) | Y2 | Frank Perkins (FP) | Y | Golden Valley Electric Association |
| Rick Baldwin (RB) | Y | Dave Thomas (DT) | Y | Homer Electric Association |
| Julie Estey (JE) | Y3 | Ed Jenkin (EJ) 6385 | Y | Matanuska Electric Association |
| Lou Florence (LF) | n | Shayne Coiley (SC) | Y | Doyon Utilities |
| Dave Burlingame (DB) | Y4 | Rob Montgomery (RM) | n | City of Seward |
| Kirk Warren (KW) | n | David Lockard (DL) | Y | Alaska Energy Authority |
| Suzanne Settle (SS) | Y | Sam Dennis (SD) | Y | Cook Inlet Regional Inc. |
| Joel Groves (JG) | Y | Mike Craft (MC) | Y5 | Alaska Environmental Power, LLC |
| Veri di Suvero (VDS) | Y | Alyssa Sappenfield (ASF) | Y | Alaska Public Interest Research Group |
| Chris Rose (CR) | Y | Greg Stiegel (GS) | n | Renewable Energy Alaska Project (REAP) |
| Hank Koegel (HK) | Y | David Newman (DN) | Y | Unaffiliated seat |
| <i>Jeff Waller (JWL)</i> | Y6 | <i>Janet Fairchild-Hamilton (JFH)</i> | n | <i>Regulatory Affairs and Public Advocacy</i> |
| <i>Bob Pickett (BP)</i> | n | <i>Antony Scott (AS)</i> | n | <i>Regulatory Commission of Alaska</i> |

Y: Attending n: Not attending v: seat is vacant

Y1: BH joined at 1:26 PM.

Y2: JB joined at 2:15 PM.

Y3: JE joined at 1:24 PM.

Y4: DB joined at 3:05 PM.

Y5: MC joined at 1:50 PM.

Y6: JWL joined at 1:23 PM.

Steve Mahoney (SM) present; Tom Lovas (TL) initially present and left meeting at 3:20 PM; Rena Miller (RMR) present.

Rebecca Sexton-Kelly (RSK) and Bayunt Ollek (BO) with Sapere present.

11 of 12 voting members are initially present, no ex-officio members are initially present.

2) Approval of IC Agenda

MOTION to approve today's agenda, 1JG, 2HK.

PASSED with no objections. [11-0-1].

3) Consent Agenda

Chair [SS] asked for requests to remove items from consent agenda, none raised.

MOTION to approve consent agenda, 1CR, 2VDS.

PASSED as amended with no objections. [11-0-1].

[JWL joined meeting at 1:23pm, 11 of 12 voting members present.]

[JE joined meeting at 1:24pm and assumed role of Chair from SS, 11 of 12 voting members present.]

[BH joined meeting at 1:26pm, 11 of 12 voting members present.]

4) PubSub

a. Public Member on a Committee Policy

VDS described the draft Public Members on a Committee policy. FP, JG, JWR, HK, CR, HK, EJ provided feedback on draft.

[MC joined at 1:50 PM, 11 of 12 voting members present.]

b. Confidentiality: Levels of Classification

VDS introduced 'public access to documents policy' for first look. BH, FP provided comments, VDS and JWL provided responses.

VDS thanked all for great comments. PubSub will address and bring back to IC next week.

5) TAC Structure and Workflow

SD/JE/JG described rationale to transfer responsibility of advancing this deliverable to BudCom.

JWR requested that the SOW for this be clarified to include a narrative demonstrating independence. JG confirmed this was the intent.

SD stated from his view, policy would outline governance structure and describe ERO functions with regards to TAC function. CR concurred, highlighted importance of narrative section for defining how this accomplishes the requisite balance and independence.

BH agree with scope and direction but can't always find a place where agreements are memorialized. Maybe BudCom takes a stab at drafting and bring back to IC.

JG yes BudCom takes it on, no specific comments / questions yet.

JE asked SD/JWR to highlight changes relative to mediation outcome. SD offered public participation as one example, needs to be resolved somewhere. Possibly in TAC policy, possibly in PubSub policy. Also need to clean up terminology of different types of committees. Need to clean up pub part for TAC WGs, standards development process is a good example of what is needed. That may change yet.

JWR / SD no further comments.

[JB joined meeting at 2:15 PM, 11 of 12 voting members present.]

6) BudCom Recommended Cost Allocation Methodology (CAM)

JG presented CAM recommendation from BudCom.

MOTION to approve RRC ERO cost allocation methodology as presented 1JG, 2SD.

JB requested that BudCom complete an analysis of impacts to customer classes. BH advised conceptually, the energy CAM will tend to shift costs from residential towards high demand industrial / commercial classes, but probably a minor effect. He has some thoughts on how to do this analysis efficiently, will coordinate with BudCom. Consensus that information would be useful

to have in RRC's back pocket if asked even though we are using the default CAM in regulation and have BudCom present analysis prior to final adoption of ERO CAM.

MOTION TO TABLE 1JB, 2JG.

TABLED with no objections [11-0-1].

7) Technical Consultant Contractor Request

JG explained revisions from 6/28 version. Revised selection process to pull IC back in, injected consultant in work product development to avoid delay and expedite final product based on IC comments received 6/28.

EJ, BH, FP, RB commented that proposal is vague, other resources are available, divisive proposal, would be better to have consultants review finished work product rather than be involved throughout the process. Clearer control over contractor needed. Principal concern is work products out of StanCom so perhaps focus on a contractor there. That committee also has unbalanced membership, only non-LSE member is SS.

HK, CR, SS, DN commented delaying consultant involvement to final work product is too late and less efficient, concurred better consultant management is a good idea and that StanCom is chief concern.

JWR volunteered for StanCom to take up the matter of drafting a budget request for a StanCom consultant at Wednesday committee meeting to address concerns raised. Goal is to have back to IC for 7/19.

8) Board Term Expiration Cycle

JE presented need to define Board terms and proposed cycle to equitably distribute turnover.

SD suggested document this in Bylaws. BH suggested policy instead. DT suggested Bylaws define issue, policy for the details. SM noted Bylaws and policies have the same voting threshold for revision. Consensus to remand discussion of where to document this to BySub, revise the presented format to eliminate names and reference as seats consistent with Bylaws structure.

MOTION to Tentatively Approve Board term expiration cycle as presented. 1SS, 2JG.

PASSED with no objections [11-0-1].

9) TarCom Section Approval

EJ explained that sections up for Tentative Approval are just those presented last meeting that received no comments in the meeting or since.

MOTION to Tentatively Approve Tariff sections 2.5, 2.6, 2.7, 2.8, 2.10, 3.0, 3.1, 4.0, 4.1, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10 as listed in the meeting agenda. 1EJ, 2BH.

CR requested clarification whether motion includes listed sections or red language in Tariff. EJ and TL confirmed, just listed sections, not everything in red text.

FP suggested amending section 4.1 to replace terminology "...standards..." with "...activities...".

MOTION TO AMEND section 4.1, to replace "...standards..." with "...activities..." near the end of the paragraph. 1EJ, 2HK.

AMENDED with no objections [11-0-1].

JG asked to clarify the motion is for Tentative Approval of the Tariff sections. EJ confirmed it is.

[DB joined at 3:05pm, 12 of 12 voting members present.]

PASSED with no objections [12-0-0].

10) Application Next Steps

JE led discussion. Summarized that the IC previously decided not to seek clarification from RCA on ERO notice timing. ExCom had concluded that the IC should affirm agreement/concurrence on the following matters:

- 1) Absent guidance from RCA, proceed to prepare the ERO Application in accordance with the final regulations as passed by the RCA on June 29, 2021.
- 2) Stick with 10/1 due date for Application regardless of RCA's final timing of the ERO notice.
- 3) Confirm no IC members are planning to appeal or seek exemption from the regulations.

MOTION that IC will proceed to prepare its ERO Application based on the RCA regulations passed on June 29, 2021. 1CR, 2SS.

PASSED with no objections [12-0-0].

SD asked if there was a comparison of draft vs. final regs. JE confirmed there is, also the final regulations spreadsheet is almost done. RSK clarified a compare document was attached with last week's meeting packet. JE directed that it be redistributed in this week's action item email. RMR confirmed the regulations spreadsheet will be out in a few days. Initially as a doc compare, eventually as a clean copy.

EJ flagged conflict in regs with regard to what is to be in the Tariff. TarCom is following the Tariff section of the regs, the Application requirements section has some conflicts.

SD, BH expressed support to holding with October 1st due date regardless of RCA decisions and ultimate due date. JG suggested set our deadline for October 12, 90 days from the next (7/14) RCA meeting where the agenda is already published, and this matter is not on it.

MOTION that the IC set its ERO Application completion deadline for October 12, 2021. 1JG, 2CR.

RB spoke in support, the IC should set the schedule and stick to it. The RCA can do as it desires but we are accountable to ourselves. SS concurred - move the goalpost now, but don't do it again.

PASSED with no objections. [12-0-0].

JE queried members if they plan to appeal the SB 123 regulations or petition for exemption from ERO requirements. No members volunteered to disclose such plans.

11) BySub – Bylaws Language

SD led Bylaw TA process.

2.1.3.1 Director fee, new sentence with initial fee level of \$1,000. Based upon informal review of director fees for other ISO / ERO type boards.

BH, RB, JE, FP, DT, EJ commented that this value is too high, may draw flak from Railbelt LSE boards or public. Suggested set the fee commensurate with Railbelt LSE director fees and have the RRC corporate governance committee's consultant propose a higher fee with justification. MC observed we could just do that now.

SD suggested a separate meeting preparation fee. JG, HK observed that becomes more administratively cumbersome and would prefer it be bundled into a single meeting fee but could entertain a higher fee for board or subcommittee chairs to reflect their incremental workload.

JE raised issue of timing, whether director fees would start post-RRC filing or post ERO certification. VDS asked for an update on the status of the IC/RRC/ERO transition financing plan the utilities are developing, suggested to defer action until that is decided. BH stated CEA is reviewing options internally, agreed should defer decision until that is known.

JWL observed that RAPA or others could expectedly scrutinize the time and compensation of utility folks serving on the RRC Board, and whether their time is allocated to the RRC or their utilities. Also observed that the RCA has already emphasized the importance of non-utility ERO board members having due support as being key to achieving balanced governance.

SD will take matter back to BySub on Wednesday.

12) Brief Committee Updates

StanCom: JWR provided update. Working through open access transmission standard. Haven't done interconnection standard yet. Revising document that was on consent agenda several weeks ago to 'Alaskanize' it. Have a draft budget / workplan for post-certification standards development / implementation. Will work on drafting a budget request.

JG asked for clarification on whether StanCom is preparing actual standards or just the process, or narrative?

JWR clarified narrative of requirements for both. Basically, need to tell the RCA what our plan is.

TarCom: EJ provided update. Went through sections 5 and 6 today, will have these to IC next week.

IRPCom: DB provided update. Consultant in meeting 2nd time. Did good job. Went through first few items on the schedule, agreed to next items on schedule. Email DB if you want to see details.

BySub: SD provided update, nothing additional to report. Will be out Wednesday, so SS/HK will lead meeting. Will be reviewing Code of Conduct, Whistleblower, Anti-harassment polices and ranked choice voting language.

BudCom: JG provided update. Will try to bring ERO CAM analysis back next week for final approval. Working through org chart, will fold in the TAC process elements, expect will push that back a week from 7/19 to 7/26. Received some initial budget / finance policy language from SM, raised lots of interesting questions. That's the next +/- month of BudCom work product.

ExCom: JE provided update. Getting pushback from new RCA staff on using their listserv for circulating the large consumer solicitation. Asked IC members to forward contact info for their respective nominees. Tracking eventual vote to incorporate, invited opinions on timing. Quarterly update to RCA on hold due to prior 'don't poke the dragon' guidance from IC regarding ERO notice. Concerned that the update pokes the dragon anyway. Invited opinions.

BH requested that ExCom send out specific requests to specific LSEs for nominee contact info? JE agreed to do this.

AppCom: JE provided update. Meeting Thursday. All contractors, chairs, AppCom. Line-by-line walk through Precious to nail down assignments. 9 AM to done. JE asked for in-person RSVP to JE and BH. Zoom or equal (starlink / teams) will also available.

PubSub: VDS provided update. Next week will be TA of today's docs. Then public notice and public comment policies.

13) Updates / Member Comments

JE congratulated JWR on official retirement. JWR thanks, will stick around for this through Oct.

SD asked whether this group would cease to function once the Application is submitted?

CR commented we need a plan for getting CEO, map out the transition and buildup strategy.

JG commented this group should plan to be on 'warm standby' through the six-month Application review window. Presume the RCA will issue orders delineating points of clarification and/or deficiencies requiring responses within relatively short timeframes. RRC will need to be ready to mobilize and respond.

14) July 19 Meeting Agenda

JE highlighted new draft agenda that includes all upcoming deliverables per the workplan. Notified IC she is leaving meeting for MEA board meeting, transferred chair to SS.

[JE left meeting at 3:57 PM, 12 of 12 voting members present. SS assumed role of Chair.]

SS proceeded to walk through draft agenda to obtain yay/nay from committee chairs whether their deliverables would be ready for next meeting. The July 19th agenda will include:

First Look:

1. Tariff Sections 5 and 6.
2. Bylaws Code of Conduct, Whistleblower, Anti-Harassment.
3. Budget ERO CAM analysis (maybe) and ERO organization structure (maybe).
4. Public access to documents policy
5. Narrative on open access to transmission standard

Tentative Approval:

1. Budget ERO CAM narrative approval (maybe).
2. Public Member on a committee policy

Other Business:

1. BudCom CPA budget authorization request (maybe).
2. ExCom final call for large consumer nominations and applications (maybe).
3. ExCom vote to approve filing for incorporation (maybe).

13) Adjourn

MOTION to adjourn 1JG, 2BH.

ADJOURNED at 4:07 PM.

DEFINITION OF ABBREVIATIONS AND ACRONYMS

All committee members and consultants are identified by their initials, as defined at the roll call table.

| | |
|-----------|--|
| 1JE, 2JG: | Shorthand designating which committee members proposed and seconded motions. |
| [~]: | Secretary's commentary provided for clarity / context as appropriate. Vote tally shorthand is Y-N-A, yea – nay – absent or abstain. |
| AAA: | American Arbitration Association |
| AOI: | articles of incorporation |
| AppCom: | ERO application subcommittee |
| BudCom: | budget subcommittee |
| BySub: | bylaws subcommittee |
| CEA: | Chugach Electric Association, Inc. |
| CEO: | chief executive officer |
| CIP: | critical infrastructure protection |
| CGC: | corporate governance committee |
| CME: | compliance / monitoring / enforcement (of reliability standards) |
| CPA: | certified public accountant |
| CPCN: | certificate of public convenience and necessity |
| DaveCom: | See IRPcom |
| DOL: | Department of Law |
| DU: | Doyon Utilities |
| ERO: | Electric Reliability Organization |
| ExCom: | executive committee |
| FAC: | finance and audit committee |
| IC: | Implementation Committee |
| IPP: | independent power producer |
| IRP: | integrated resource plan |
| IRPcom: | IRP process subcommittee |
| LSE: | load-serving entity |
| MEA: | Matanuska Electric Association, Inc. |
| NDA: | non-disclosure agreement |
| NTE: | not to exceed |
| PAC: | public affairs committee |
| PM: | project management |
| PMP: | project management professional |
| Precious: | (1) A spreadsheet listing clauses in the implementing regulations for SB 123's ERO provisions, identifying associated ERO application deliverables, and assigning deliverable preparation responsibility to IC subcommittees. (2) A fancy gold ring. |
| RAPA: | Regulatory Affairs and Public Advocacy |
| RCA: | Regulatory Commission of Alaska |
| RRC: | Railbelt Reliability Council |
| SB: | Senate bill |
| SOW: | scope of work |
| StanCom: | standards subcommittee |
| TA: | tentatively approve, tentative approval |
| TAC: | technical advisory committee |
| TarCom: | tariff subcommittee |
| TIER: | times interest earned ratio |
| WG: | working group |

ATTACHMENTS:

1. Tentatively Approved Tariff sections.